

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 893 – HB 1169

March 20, 2013

SUMMARY OF ORIGINAL BILL: Requires plants and seeds sold in Tennessee to include labeling that indicates whether the plant or seed has been open pollinated, genetically modified or hybridized.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$897,700/FY13-14
\$591,200/FY14-15 and Subsequent Years

SUMMARY OF AMENDMENT (003194): Removes the sale of nursery stock and ornamental plants from the provisions of the bill.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Department of Agriculture (TDOA), the Department will sample and perform DNA tests on seeds to determine if they have been genetically modified. TDOA will be required to purchase equipment to perform such tests. This will result in a one-time increase in state expenditures of \$150,000.
- The equipment manufacturer will develop the methodology for different genetic markers for Tennessee's major crops. This will result in a one-time increase in state expenditures of \$350,000. According to TDOA, the manufacturer will develop five additional genetic markers each year thereafter for a recurring increase in state expenditures of \$150,000, beginning in FY14-15.
- The equipment maintenance contract will result in a recurring increase in state expenditures of \$15,000 in FY14-15 and subsequent years.
- The cost of laboratory supplies will be \$15 per sample. TDOA anticipates testing 2,500 samples in FY13-14 and 5,000 samples in FY14-15 and subsequent years. The increase in state expenditures will be \$37,500 (\$15 per sample x 2,500 samples) in FY13-14.

The recurring increase in state expenditures will be \$75,000 (\$15 per sample x 5,000 samples) beginning in FY14-15.

- TDOA will hire two Chemists to implement the testing extraction methodology, and sampling logging requirements of the bill. The recurring increase in state expenditures will be \$120,467 (\$76,910 salaries + \$23,557 benefits + \$20,000 training).
- TDOA will hire two Plant Certification Inspector positions and two Feed, Seed and Fertilizer inspector positions to implement the sampling requirements of the bill. The recurring increase in state expenditures will be \$176,032 (\$132,172 salaries + \$43,860 benefits).
- TDOA estimates a recurring increase in state expenditures of \$53,000 for operational expenses (\$36,000 travel + \$6,000 field supplies + \$5,000 communications + \$6,000 professional services costs billed by other state entities).
- TDOA will purchase a total of six computers, software, and related equipment. The result will be a one-time increase in state expenditures of \$9,000. Other recurring computer-related expenses are estimated to be \$1,680.
- The total increase in state expenditures for FY13-14 will be \$897,679 (\$150,000 + \$350,000 + \$37,500 + \$120,467 + \$176,032 + \$53,000 + \$9,000 + \$1,680).
- The recurring increase in state expenditures for 14-15 and subsequent years will be \$591,179 (\$150,000 + \$15,000 + \$75,000 + \$120,467 + \$176,032 + \$53,000 + \$1,680).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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